

# SAVINGS PLAN FIXED INCOME FUND

## August 2021

### Investment Objective

The Objective of the fund is to provide relatively stable income with capital preservation for the long term.

### Investment Strategy

The Fund seeks to attain its objectives by investing in short term interest bearing instruments (such as deposits, SBI or money market mutual funds) and medium or long term interest bearing instruments (such as bonds and/or fixed income mutual funds).

### Return Performance

Last 1-year Period	9.90%
Best Month	Oct-13 5.71%
Worst Month	Oct-08 -6.87%

### Portfolio Breakdown

Mutual Funds - Bonds	94.23%
Cash/Deposit	5.77%

### Key Fund Facts

Fund Size (in bn IDR)	IDR 370.36
Risk Profile	Moderate
Launch Date	31 May 2008
Fund Currency	Indonesian Rupiah
Pricing Frequency	Daily
Custodian Bank Name	Bank HSBC Indonesia
Total Unit	132,829,181.0600

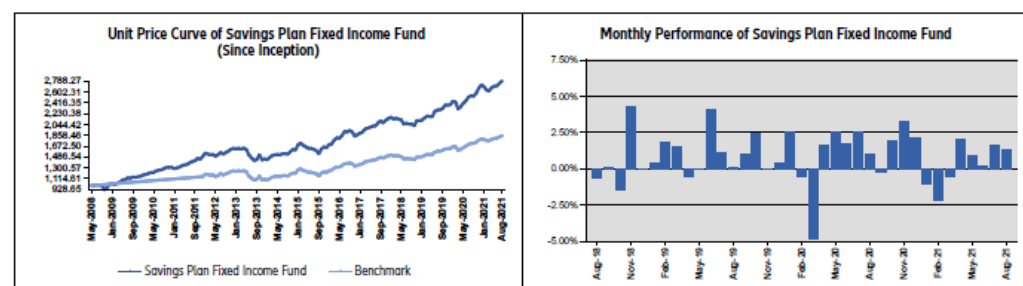
Price per Unit	
(As of Aug 31, 2021)	IDR 2,788.27

Managed by PT. Asuransi Allianz Life Indonesia

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Savings Plan Fixed Income Fund	1.35%	3.23%	5.82%	9.90%	35.85%	2.37%	178.83%
Benchmark*	0.99%	2.53%	4.58%	7.56%	27.00%	2.87%	85.10%

\*80% Indonesia Bond Pricing Agency (IBPA) IDR Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank

(Benchmark assessment before Jul 2018: 80% Bloomberg Indonesia Local Sovereign Bond (BINCX) Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank before Mar 2016: 80% HSBC Indonesia Local Bond Index & 20% Average Time Deposit (1 month) from BNI, BCA and Citibank before Jan 2012: Average 1 Month Deposit of BNI, BCA and Citibank)



### Manager Commentary

Central Bureau Statistics of Indonesia (BPS) announced Aug 2021 inflation at +0.03% mom (vs consensus inflation +0.03%, +0.08% in July 2021). On yearly basis, inflation was +1.59% yoy (vs consensus inflation +1.60%, +1.52% in July 2021). Core inflation was printed at +1.31% yoy (vs consensus inflation +1.30%, +1.40% in July 2021). The lower monthly inflation was contributed by the deflation on volatile food group (lower prices of chicken and various horticulture) and the slowing down of the inflation on administered price group (chicken, and various horticulture). The BI Board of Governors agreed on 17-18 Aug 2021 to hold the BI 7-Day Reverse Repo Rate to be 3.50%, and also hold the Deposit Facility (DF) and Lending Facility (LF) rates to be 2.75% and 4.25%, respectively. This policy is to maintain Rupiah stability in the middle of global uncertainty and also the lower inflation. Rupiah appreciated against USD by +1.07% from 14,462 at end of July 2021 to 14,306 at end of Aug 2021. Indonesia's trade balance recorded surplus amounting to USD 2,589mn in July 2021 vs previous month surplus USD +1,316. The higher monthly trade surplus was caused by the lower imports number, especially on capital goods imports on the back of social restriction. While, the exports number was actually slowing down on the back of lower demand of iron and steel export from China. Even though, the CPO exports was increasing. Non-oil and gas trade balance in July 2021 recorded surplus USD +3,384mn, which was higher than the previous month that recorded trade surplus amounting to USD +2,382mn. Meanwhile, oil and gas trade balance still recorded deficit to USD -795mn in July 2021, which was lower than the deficit in June 2021 amounting to USD -1,066mn. Indonesia's official foreign reserve in the end of Aug 2021 was at USD 144.80bn, higher than July 2021 number at USD 137.3billion due to additional fund from IMF for Special Drawing Rights (SDR) allocation amounting to USD 6.31bn.

IDR Government bond yields were closed lower across all curves in line with offshore inflows as well as IDR appreciation. The rallied in the market was supported by the domestic and global sentiments. From the domestic side, the agreement between Bank Indonesia and Ministry of Finance to have another Burden Sharing Program for 2021 and 2022 through SKB3, gave positive sentiment to market. While the positive sentiment from global, was coming from dovish stance from FED which they announced on the FOMC Meeting and Jackson Hole Symposium in August 2021 despite they will start tapering off/reducing bonds buying in this year. In August 2021, Ministry of Finance and Bank of Indonesia agreed to continue the Burden Sharing Program in 2021 and 2022 with announced the SKB 3 as legal base. In 2021, Bank Indonesia will buy bonds amounting to IDR 215tn, while they will buy bonds amounting to IDR 224tn in 2022. BI will bear the interest rate for the bonds amounting to IDR 58tn in 2021 and IDR 40tn in 2022 which will be used to finance the vaccination and healthcare program. While, the rest interest rate for the issuance bonds under this program will be paid by MoF using 7 Days Repo Rate. Offshore accounts increased their holding by IDR +14.66 in Aug 2021 (+1.52% MoM), to IDR 980.44tn as of 31 Aug 2021 from IDR 965.78tn as of 31 July, which brought their holding to 22.44% of total outstanding tradable government bond (from 22.53% in the previous month). The 5Y yield Aug 2021 ended -13bps lower to +5.04% (vs +5.17% in July 2021), 10Y tenor ended -23bps lower to +6.06% (vs +6.29% in July 2021), 15Y tenor ended -2bps lower to +6.30% (vs +6.32% in July 2021) and 20Y tenor ended -15bps lower to +6.89% (vs +7.04% in July 2021).

### About Allianz Indonesia

PT Asuransi Allianz Life Indonesia was founded in 1996 and is part of Allianz Asia Pacific which has been present in the region since 1910. Allianz Group is a leading insurance company and asset manager in the world with over 129 years of experience and provides a variety of personal and insurance services, companies, ranging from property, life and health insurance to credit insurance and business insurance services globally.

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